

1 “Chapter 1204” means Chapter 1204 of the Texas Government Code.

2 “Chapter 1206” means Chapter 1206 of the Texas Government Code.

3 “Chapter 1208” means Chapter 1208 of the Texas Government Code.

4 “Chapter 1371” means Chapter 1371 of the Texas Government Code.

5 “City” means the City of Austin, Texas.

6 “Code” means the Internal Revenue Code of 1986, as amended.

7 “Council” means the City Council of the City.

8 “Defeasance Securities” means any securities permitted by Section 1207.062, Texas Government
9 Code (or any successor statute), including (i) direct, noncallable obligations of the United States of
10 America, including obligations that are unconditionally guaranteed by the United States of America, (ii)
11 noncallable obligations of an agency or instrumentality of the United States of America, including
12 obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on
13 the date of approval of the proceedings authorizing the issuance of the refunding bonds, are rated as to
14 investment quality by a nationally recognized investment rating firm not less than “AAA” or its
15 equivalent, and (iii) noncallable obligations of a state or an agency or a county, municipality, or other
16 political subdivision of a state that have been refunded and that, on the date of approval of the
17 proceedings authorizing the issuance of the refunding bonds, are rated as to investment quality by a
18 nationally recognized investment rating firm not less than “AAA” or its equivalent.

19 “Defeased Bond” means any Bond and the interest on the Bond that is considered to be paid,
20 retired and no longer outstanding under the terms of this Ordinance, specifically PART 16 of this
21 Ordinance.

22 “Designated Payment/Transfer Office” means the office of the Paying Agent/Registrar identified
23 by the Paying Agent/Registrar as its Designated Payment/Transfer Office for the purpose of discharging
24 its duties under this Ordinance.

25 “DTC” means The Depository Trust Company, New York, New York.

26 “Event of Default” has the meaning described in PART 17 of this Ordinance.

27 “Expiration Date” means February 16, 2018.

28 “Future Escrow Agreement” means an escrow agreement or other similar instrument with respect
29 to Defeased Bonds.

30 “Interest and Sinking Fund” means the Interest and Sinking Fund established in PART 9 of this
31 Ordinance.

32 “MSRB” means the Municipal Securities Rulemaking Board.

1 “Paying Agent/Registrar” means the bank, trust company, financial institution, or agency named
2 in the Paying Agent/Registrar Agreement.

3 “Paying Agent/Registrar Agreement” means the agreement between the City and the Paying
4 Agent/Registrar with respect to the Bonds in the form approved by an Authorized Representative, and
5 any successor agreement.

6 “Pricing Certificate” means a certificate executed by an Authorized Representative on the date of
7 sale of any series of the Bonds containing the terms of such series authorized to be determined by the
8 Authorized Representative pursuant to PART 4 of this Ordinance.

9 “Project” means a project for which proceeds of the Bonds are spent consistent with the purposes
10 described in clause (a) of PART 3 of this Ordinance.

11 “Purchase Agreement” means any purchase agreement between the City and the Underwriters
12 providing for the sale of the Bonds by the City and the purchase of the Bonds by the Underwriters.

13 “Registered Owner” means the owner of any Bond as recorded in the Registration Books.

14 “Registration Books” means the books or records of registration and transfer of the Bonds
15 maintained by the Paying Agent/Registrar.

16 “Rule” means SEC Rule 15c2-12.

17 “SEC” means the United States Securities and Exchange Commission.

18 “Underwriters” means the entity or entities designated in the Purchase Agreement.

19 **PART 3. BONDS AUTHORIZED.**

20 The Bonds shall be issued in accordance with the Constitution, laws of the State of Texas, and
21 the Charter of the City, in one or more series, in the aggregate principal amount not to exceed
22 \$74,000,000 for the purposes of (a) financing the Projects described in Schedule I and (b) paying the
23 costs of issuance associated with the sale of the Bonds. The aggregate principal amount and the
24 designation of Bonds issued pursuant to this Ordinance shall be set forth in the Pricing Certificate
25 therefor.

26 **PART 4. SALE PARAMETERS.**

27 (a) The Bonds shall be issued in any Authorized Denomination as fully registered bonds,
28 without interest coupons, payable to the respective initial registered owners of the Bonds, or to the
29 registered assignee or assignees of the Bonds, maturing not later than 40 years from their issue date,
30 payable serially or otherwise on the dates, in the years and in the principal amounts, and dated and
31 numbered, all as set forth in the Pricing Certificate.

32 (b) In accordance with Chapter 1371, Council authorizes each Authorized Representative to
33 act on behalf of the City in selling and delivering the Bonds and carrying out the other procedures
34 specified in this Ordinance, including determining and fixing the number of series and the designation or

1 title by which series of Bonds sold shall be known and, with respect to any series of Bonds, the purposes
2 and aggregate principal amount of the Bonds sold, the dated date and the date of delivery of the Bonds
3 sold, the price at which the Bonds will be sold, the years in which the Bonds will mature, the principal
4 amount of Bonds to mature in each of such years, that portion of the Bonds, if any, to be issued as
5 capital appreciation bonds and the maturity amount of any Bonds issued as capital appreciation bonds,
6 the rate or rates of interest to be borne by or accrue on each maturity, the interest payment periods and
7 interest payment dates, the record date, the dates, prices, and terms upon and at which the Bonds shall be
8 subject to redemption (including provisions for optional and mandatory redemption), and all other terms,
9 details and matters relating to the Bonds and their issuance, sale and delivery, including, without
10 limitation, obtaining a municipal bond insurance policy in support of the Bonds, all of which shall be
11 specified in the Pricing Certificate; *provided*, that (i) the price to be paid for the Bonds shall not be less
12 than 95% of the aggregate principal amount of the Bonds sold, plus accrued interest, if any, (ii) the
13 Bonds shall not bear interest at a rate greater than the maximum rate allowed by Chapter 1204, and (iii)
14 prior to their delivery, the Bonds shall be rated by a nationally recognized rating agency for municipal
15 securities in one of the four highest rating categories for long-term debt instruments.

16 An Authorized Representative may approve modifications to this Ordinance to conform to the
17 terms of the Bonds, as approved by the Authorized Representative, and execute any instruments,
18 agreements and other documents as the Authorized Representative shall deem necessary or appropriate
19 in connection with the issuance, sale and delivery of Bonds pursuant to this Ordinance.

20 It is in the best interests of the City for the Bonds to be sold through a negotiated sale, and
21 Council authorizes each Authorized Representative to enter into and carry out the Purchase Agreement
22 with the Underwriters pursuant to PART 12 of this Ordinance. Each Authorized Representative may
23 designate underwriters for future series of the Bonds.

24 The authority of an Authorized Representative to execute any Purchase Agreement shall expire
25 at 11:59 p.m. on the Expiration Date. Bonds sold pursuant to a Purchase Agreement executed on or
26 before the Expiration Date may be delivered after the Expiration Date.

27 In establishing the aggregate principal amount of the Bonds of any series, the Authorized
28 Representative shall establish an amount which shall be sufficient (together with any premium received
29 from the sale of the Bonds) to provide for the purposes for which the Bonds are authorized. The Bonds
30 of any series shall be sold at such price, with and subject to such terms, as set forth in the Pricing
31 Certificate.

32 (c) Any finding or determination made by an Authorized Representative relating to the
33 issuance and sale of the Bonds and the execution of the Purchase Agreement shall have the same force
34 and effect as a finding or determination made by Council.

35 **PART 5. REDEMPTION PROVISIONS.**

36 (a) The Bonds may be subject to redemption, at the option of the City, prior to their stated
37 maturities to the extent and in the manner provided in the Pricing Certificate. The years of maturity of
38 the Bonds called for redemption at the option of the City prior to stated maturity shall be selected by the
39 City. The Bonds or any portion redeemed within a maturity shall be selected by lot, or other customary
40 random selection method, by the Paying Agent/Registrar; provided, that during any period in which

1 ownership of the Bonds is determined only by a book entry at DTC, if fewer than all of the Bonds of the
2 same maturity and bearing the same interest rate are to be redeemed, the particular Bonds of such
3 maturity and bearing such interest rate shall be selected in accordance with the arrangements between
4 the City and DTC.

5 (b) The Bonds may be subject to mandatory sinking fund redemption prior to their stated
6 maturities, to the extent and in the manner provided in the Pricing Certificate.

7 (c) At least 30 days before the date fixed for redemption, the City shall cause a written notice
8 of the redemption to be deposited in the United States mail, first-class postage prepaid, addressed to
9 each Registered Owner at the address shown on the Registration Books. By the date fixed for
10 redemption, due provision shall be made with the Paying Agent/Registrar for the payment of the
11 required redemption price for the Bonds which are to be redeemed, plus accrued interest to the date
12 fixed for redemption. If the notice of redemption is given, and if provision for payment is made, all as
13 provided above, the Bonds, or the portions of the Bonds, which are to be redeemed, automatically shall
14 be redeemed prior to their scheduled maturities, and shall not bear interest after the date fixed for their
15 redemption, and shall not be regarded as outstanding except for the right of the Registered Owner to
16 receive the redemption price plus accrued interest to the date fixed for redemption from the Paying
17 Agent/Registrar out of the funds provided for payment. The Paying Agent/Registrar shall record in the
18 Registration Books all redemptions of principal of the Bonds or any portion of the principal. If a portion
19 of any Bond shall be redeemed, one or more substitute Bonds having the same maturity date, bearing
20 interest at the same rate, in any Authorized Denomination, at the written request of the Registered
21 Owner, and in an aggregate principal amount equal to the unredeemed portion of the Bonds, will be
22 issued to the Registered Owner upon the surrender for cancellation, at the expense of the City, all as
23 provided in this Ordinance. In addition, the City shall cause the Paying Agent/Registrar to give notice
24 of any redemption in the manner set forth in PART 5(d). The failure to cause notice to be given,
25 however, or any defect in the notice, shall not affect the validity or effectiveness of the redemption. If a
26 notice of redemption is given and sufficient funds are not received for the payment of the required
27 redemption price for the Bonds which are to be redeemed, the notice shall be of no force and effect, the
28 City shall not redeem the Bonds, and the Paying Agent/Registrar shall give notice, in the manner in
29 which the notice of redemption was given, that the Bonds have not been redeemed.

30 (d) Each redemption notice required by this Ordinance or the Pricing Certificate shall contain
31 a description of the Bonds to be redeemed, including the complete name of the Bonds, the series, the
32 date of issue, the interest rate, the maturity date, the CUSIP number, the amounts of the Bonds called for
33 redemption, the date of redemption, the redemption price, the name of the Paying Agent/Registrar and
34 the address at which the Bond may be redeemed, including a contact person and telephone number.
35 This notice may also state that the redemption is conditioned upon receipt of sufficient funds for the
36 payment of the required redemption price for the Bonds which are to be redeemed by the date fixed for
37 redemption. All redemption payments made by the Paying Agent/Registrar to the Registered Owners of
38 the Bonds shall include CUSIP numbers relating to each amount paid to such Registered Owner.

39 **PART 6. INTEREST.**

40 The Bonds shall bear interest at the rates per annum set forth in the Pricing Certificate. The
41 interest shall be payable to the Registered Owner of any Bond in the manner provided and on the dates

1 stated in the Pricing Certificate. Interest shall be calculated on the basis of a 360-day year consisting of
2 twelve 30-day months.

3 **PART 7. ADDITIONAL CHARACTERISTICS OF THE BONDS.**

4 (a) The City shall keep, or cause to be kept, at the Designated Payment/Transfer Office, the
5 Registration Books, and the Paying Agent/Registrar named in the Paying Agent/Registrar Agreement
6 shall act as the registrar and transfer agent for the City to keep books or records and make the transfers
7 and registrations under the reasonable regulations as the City and the Paying Agent/Registrar may
8 prescribe; and the Paying Agent/Registrar shall make transfers and registrations as provided in this
9 Ordinance. It shall be the duty of the Paying Agent/Registrar to obtain from the Registered Owner and
10 record in the Registration Books the address of the Registered Owner to which payments with respect to
11 the Bonds shall be mailed, as provided in this Ordinance. The City, or its designee, shall have the right
12 to inspect the Registration Books during regular business hours of the Paying Agent/Registrar, but
13 otherwise the Paying Agent/Registrar shall keep the Registration Books confidential and, unless
14 otherwise required by law, shall not permit their inspection by any other entity. Ownership of each
15 Bond may be transferred in the Registration Books only upon presentation and surrender of the Bond to
16 the Paying Agent/Registrar for transfer of registration and cancellation, together with proper written
17 instruments of assignment, in form and with guarantee of signatures satisfactory to the Paying
18 Agent/Registrar, evidencing the assignment of the Bond, or any portion of the Bond, in any Authorized
19 Denomination, to the assignee or assignees, and the right of the assignee or assignees to have the Bond
20 or any portion of the Bond registered in the name of the assignee or assignees. Upon the assignment and
21 transfer of any Bond, a new substitute obligation or obligations shall be issued in exchange for the Bond
22 in the manner provided in this Ordinance.

23 (b) The entity in whose name any Bond shall be registered in the Registration Books at any
24 time shall be treated as the absolute owner of the Bond for all purposes of this Ordinance, whether the
25 Bond shall be overdue, and the City and the Paying Agent/Registrar shall not be affected by any notice
26 to the contrary; and payment of, or on account of, the principal of, premium, if any, and interest on any
27 Bond shall be made only to the Registered Owner. All payments shall be valid and effectual to satisfy
28 and discharge the liability on the Bond to the extent of the sum or sums so paid.

29 (c) The Paying Agent/Registrar named in the Paying Agent/Registrar Agreement shall act as
30 the paying agent for paying the principal of, premium, if any, and interest on, the Bonds, and to act as
31 the agent of the City to exchange or replace Bonds, all as provided in this Ordinance. The Paying
32 Agent/Registrar shall keep proper records of all payments made by the City and the Paying
33 Agent/Registrar with respect to the Bonds, and of all exchanges and replacements, as provided in this
34 Ordinance.

35 (d) Each Bond may be exchanged for fully registered obligations as set forth in this
36 Ordinance. Each Bond issued and delivered pursuant to this Ordinance, to the extent of the unredeemed
37 principal amount, may, upon surrender at the Designated Payment/Transfer Office, together with a
38 written request duly executed by the Registered Owner or its assignee or assignees, or its or their duly
39 authorized attorneys or representatives, with guarantee of signatures satisfactory to the Paying
40 Agent/Registrar, at the option of the Registered Owner or its assignee or assignees, as appropriate, be
41 exchanged for fully registered obligations, without interest coupons, in the form prescribed in the Form
42 of Bond, in any Authorized Denomination (subject to the requirement stated below that each substitute

1 Bond shall have a single stated maturity date), as requested in writing by the Registered Owner or its
2 assignee or assignees, in an aggregate principal amount equal to the unredeemed principal amount of
3 any Bond or Bonds so surrendered, and payable to the appropriate Registered Owner, assignee, or
4 assignees. If a portion of any Bond is assigned and transferred, each Bond issued in exchange shall have
5 the same maturity date and bear interest at the same rate as the Bond for which it is being exchanged.
6 Each substitute Bond shall bear a letter and/or number to distinguish it from each other Bond. The
7 Paying Agent/Registrar shall exchange or replace Bonds as provided in this Ordinance, and each fully
8 registered Bond delivered in exchange for or replacement of any Bond or portion of a Bond as permitted
9 or required by any provision of this Ordinance shall constitute one of the Bonds for all purposes of this
10 Ordinance, and may again be exchanged or replaced. Any Bond delivered in exchange for or
11 replacement of another Bond before the first scheduled interest payment date on the Bonds (as stated on
12 the face of the Bond) shall be dated the same date, but each substitute Bond delivered on or after the first
13 scheduled interest payment date shall be dated the interest payment date preceding the date on which the
14 substitute Bond is delivered, unless the substitute Bond is delivered on an interest payment date, in
15 which case it shall be dated as of the date of delivery; however, if at the time of delivery of any
16 substitute Bond the interest on the Bond for which it is being exchanged has not been paid, then the
17 substitute Bond shall be dated the date to which interest has been paid in full. On each substitute Bond
18 issued in exchange for or replacement of any Bond issued under this Ordinance there shall be printed on
19 the Bond the Authentication Certificate. An authorized representative of the Paying Agent/Registrar
20 shall, before the delivery of any substitute Bond, date the substitute Bond in the manner set forth above,
21 and manually sign and date the Authentication Certificate, and no substitute Bond shall be considered to
22 be issued or outstanding unless the Authentication Certificate is executed. The Paying Agent/Registrar
23 promptly shall cancel all Bonds surrendered for exchange or replacement. No additional ordinances,
24 orders, or resolutions need be passed or adopted by Council or any other body or person to accomplish
25 the exchange or replacement of any Bond, and the Paying Agent/Registrar shall provide for the printing,
26 execution, and delivery of the substitute Bonds in the manner prescribed in this Ordinance. Pursuant to
27 Chapter 1206, the duty of exchange or replacement of any Bond is imposed on the Paying
28 Agent/Registrar, and, upon the execution of the Authentication Certificate, the exchanged or replaced
29 obligation shall be valid, incontestable, and enforceable in the same manner and with the same effect as
30 the Bonds which originally were delivered pursuant to this Ordinance, approved by the Texas Attorney
31 General, and registered by the Texas Comptroller of Public Accounts. Neither the City nor the Paying
32 Agent/Registrar shall be required to transfer or exchange any Bond selected for redemption, in whole or
33 in part, within 45 calendar days of the date fixed for redemption; provided, however; the limitation of
34 transfer shall not be applicable to an exchange by the Registered Owner of the uncalled principal of a
35 Bond.

36 (e) All Bonds issued in exchange or replacement of any other Bond or portion of a Bond (i)
37 shall be issued in fully registered form, without interest coupons, with the principal of and interest on the
38 Bonds to be payable only to the Registered Owners, (ii) may be redeemed prior to their scheduled
39 maturities, (iii) may be transferred and assigned, (iv) may be exchanged for other Bonds, (v) shall have
40 the characteristics, (vi) shall be signed and sealed, and (vii) the principal of and interest on the Bonds
41 shall be payable, all as provided, and in the manner required or indicated in this Ordinance and the
42 Pricing Certificate.

43 (f) The City shall pay the Paying Agent/Registrar's reasonable and customary fees and
44 charges for making transfers of Bonds, but the Registered Owner of any Bond requesting the transfer
45 shall pay any taxes or other governmental charges required for the transfer. The Registered Owner of

1 any Bond requesting any exchange shall pay the Paying Agent/Registrar's reasonable and standard or
2 customary fees and charges for exchanging any Bond or a portion of a Bond, together with any required
3 taxes or governmental charges, all as a condition precedent to the exercise of the privilege of exchange,
4 except in the case of the exchange of an assigned and transferred Bond or Bonds or any portion or
5 portions in any Authorized Denomination, the fees and charges will be paid by the City. In addition, the
6 City covenants with the Registered Owners of the Bonds that it will (i) pay the reasonable and standard
7 or customary fees and charges of the Paying Agent/Registrar for its services with respect to the payment
8 of the principal of and interest on the Bonds, when due, and (ii) pay the fees and charges of the Paying
9 Agent/Registrar for services with respect to the transfer or registration of Bonds, and with respect to the
10 exchange of Bonds solely to the extent stated above.

11 (g) An Authorized Representative is authorized to execute and deliver the Paying
12 Agent/Registrar Agreement. The City covenants with the Registered Owners of the Bonds that at all
13 times while the Bonds are outstanding the City will provide a competent and legally qualified bank, trust
14 company, or other entity duly qualified and legally authorized to act as and perform the services of
15 Paying Agent/Registrar for the Bonds under this Ordinance, and that the Paying Agent/Registrar will be
16 one entity. The City reserves the right to, and may, at its option, change the Paying Agent/Registrar
17 upon not less than 60 days' written notice to the Paying Agent/Registrar. In the event that the entity at
18 any time acting as Paying Agent/Registrar (or its successor by merger, acquisition, or other method)
19 should resign or otherwise stop acting as such, the City covenants that it will promptly appoint a
20 competent and legally qualified national or state banking institution organized and doing business under
21 the laws of the United States of America or of any state, authorized under the laws to exercise trust
22 powers, subject to supervision or examination by federal or state authority, and whose qualifications
23 substantially are similar to the previous Paying Agent/Registrar to act as Paying Agent/Registrar under
24 this Ordinance. Upon any change in the Paying Agent/Registrar, the previous Paying Agent/Registrar
25 promptly shall transfer and deliver the Registration Books (or a copy of these Registration Books), along
26 with all other pertinent books and records relating to the Bonds, to the new Paying Agent/Registrar
27 designated and appointed by the City. Upon any change in the Paying Agent/Registrar, the City
28 promptly will cause a written notice to be sent by the new Paying Agent/Registrar to each Registered
29 Owner of the Bonds, by United States mail, first-class postage prepaid, which notice also shall give the
30 address of the new Paying Agent/Registrar. By accepting the position and performing as such, each
31 Paying Agent/Registrar shall be considered to have agreed to the provisions of this Ordinance, and a
32 certified copy of this Ordinance shall be delivered to each Paying Agent/Registrar.

33 **PART 8. FORM OF BONDS.**

34 The Bonds shall be signed with the manual or facsimile signatures of the Mayor and the City
35 Clerk, and the seal of the City shall be affixed or impressed on the Bonds. The form of all Bonds,
36 including the form of the Comptroller's Registration Certificate to accompany the Bonds on the initial
37 delivery, the form of the Authentication Certificate, and the Form of Assignment to be printed on each
38 Bond, shall be, respectively, substantially in the form set forth in Exhibit A, with such appropriate
39 variations, omissions, or insertions as are permitted or required by this Ordinance and the Pricing
40 Certificate.

1 **PART 9. LEVY OF TAX; INTEREST AND SINKING FUND.**

2 (a) The Interest and Sinking Fund (which may include the designation or title by which a
3 series of Bonds shall be known, as determined pursuant to PART 4(b) of this Ordinance) is created and
4 it shall be established and maintained at an official depository of the City. The Interest and Sinking
5 Fund shall be kept separate and apart from all other funds and accounts of the City, and shall be used
6 only for paying the interest on and principal of the Bonds. All ad valorem taxes levied and collected for
7 and on account of the Bonds shall be deposited, as collected, to the credit of the Interest and Sinking
8 Fund. During each year while any Bond is outstanding and unpaid, Council shall compute and ascertain
9 the rate and amount of ad valorem tax, based on the latest approved tax rolls of the City, with full
10 allowances being made for tax delinquencies and costs of tax collections, which will be sufficient to
11 raise and produce the money required to pay the interest on the Bonds as the interest comes due, and to
12 provide a sinking fund to pay the principal (including mandatory sinking fund redemption payments, if
13 any) of the Bonds as the principal matures, but never less than 2% of the outstanding principal amount
14 of the Bonds as a sinking fund each year. The rate and amount of ad valorem tax needed to fund this
15 obligation is ordered to be and is hereby levied against all taxable property in the City for each year
16 while any Bond is outstanding and unpaid, and the ad valorem tax shall be assessed and collected each
17 year and deposited to the credit of the Interest and Sinking Fund. The ad valorem taxes necessary to pay
18 the interest on and principal of the Bonds, as the interest comes due, and the principal matures or comes
19 due through operation of the mandatory sinking fund redemption, if any, as provided in the Pricing
20 Certificate, are pledged for this purpose, within the limit set by law. The City appropriates from current
21 funds on hand, and directs the transfer for deposit into the Interest and Sinking Fund, moneys as may be
22 necessary to pay debt service on the Bonds scheduled to occur prior to receipt of taxes levied to pay
23 such debt service. Money in the Interest and Sinking Fund, at the option of the City, may be invested in
24 the securities or obligations as permitted under applicable law and the City's investment policy. Any
25 securities or obligations in which money is invested shall be kept and held in trust for the benefit of the
26 owners of the Bonds and shall be sold and the proceeds of sale shall be timely applied to the making of
27 all payments required to be made from the Interest and Sinking Fund. Interest and income derived from
28 the investment of money in the Interest and Sinking Fund shall be credited to the Interest and Sinking
29 Fund.

30 (b) Should more than one series of Bonds be sold under authority of this Ordinance, a
31 separate interest and sinking fund will be created and maintained at an official depository of the City to
32 secure each series of Bonds.

33 (c) Chapter 1208 applies to the issuance of the Bonds and the pledge of ad valorem taxes
34 made under PART 9(a) of this Ordinance, and the pledge is valid, effective, and perfected. If Texas law
35 is amended at any time while any Bond is outstanding and unpaid so that the pledge of ad valorem taxes
36 made by the City under PART 9(a) of this Ordinance is to be subject to the filing requirements of
37 Chapter 9, then to preserve to the Registered Owners of the Bonds the perfection of the security interest
38 in the pledge, the City agrees to take measures as it determines are reasonable and necessary under
39 Texas law to comply with the applicable provisions of Chapter 9 and enable a filing to perfect the
40 security interest in the pledge.

1 **PART 10. DAMAGED, LOST, STOLEN OR DESTROYED BONDS.**

2 (a) In the event any outstanding Bond is damaged, mutilated, lost, stolen, or destroyed, the
3 Paying Agent/Registrar shall cause to be printed, executed, and delivered a new bond of the same
4 principal amount, maturity, and interest rate as the damaged, mutilated, lost, stolen, or destroyed Bond,
5 in replacement for the Bond in the manner provided in this Ordinance.

6 (b) Application for replacement of any damaged, mutilated, lost, stolen, or destroyed Bond
7 shall be made to the Paying Agent/Registrar. In every case of loss, theft, or destruction of a Bond, the
8 applicant for a replacement obligation shall furnish to the City and to the Paying Agent/Registrar the
9 security or indemnity as may be required by them to save each of them harmless from any loss or
10 damage with respect to the Bond. Also, in every case of loss, theft, or destruction of a Bond, the
11 applicant shall furnish to the City and to the Paying Agent/Registrar evidence to their satisfaction of the
12 loss, theft, or destruction of the Bond. In every case of damage or mutilation of a Bond, the applicant
13 shall surrender to the Paying Agent/Registrar for cancellation the damaged or mutilated Bond.

14 (c) Notwithstanding clauses (a) and (b), in the event any Bond shall have matured, and there
15 is no continuing default in the payment of the principal of, premium, if any, or interest on the Bond, the
16 City may authorize its payment (without surrender except in the case of a damaged or mutilated Bond)
17 instead of issuing a replacement Bond, provided security or indemnity is furnished as above provided in
18 this PART.

19 (d) Prior to the issuance of any replacement Bond, the Paying Agent/Registrar shall charge
20 the owner of the Bond with all legal, printing, and other expenses in connection with the replacement.
21 Every replacement Bond issued pursuant to the provisions of this Ordinance by virtue of the fact that
22 any Bond is damaged, mutilated, lost, stolen, or destroyed shall constitute a contractual obligation of the
23 City whether the damaged, mutilated, lost, stolen, or destroyed Bond shall be found, or be enforceable
24 by anyone, and shall be entitled to all the benefits of this Ordinance equally and proportionately with
25 any and all other Bonds duly issued under this Ordinance.

26 (e) In accordance with Chapter 1206, this PART constitutes authority for the issuance of any
27 such replacement Bond without necessity of further action by Council or any other body or person, and
28 the duty of the replacement of the Bonds is authorized and imposed on the Paying Agent/Registrar,
29 subject to the conditions imposed by this PART, and the Paying Agent/Registrar shall authenticate and
30 deliver the Bonds in the form and manner and with the effect, as provided in PART 7(d) of this
31 Ordinance for Bonds issued in exchange for other Bonds.

32 **PART 11. SUBMISSION OF PROCEEDINGS TO ATTORNEY GENERAL.**

33 The Mayor, or his designee, is authorized to have control of the Bonds and all necessary records
34 and proceedings pertaining to the Bonds pending their delivery and their investigation, examination and
35 approval by the Texas Attorney General and their registration by the Texas Comptroller of Public
36 Accounts. Upon registration of the Bonds, the Comptroller (or a deputy designated in writing to act for
37 the Comptroller) shall manually sign the Comptroller's Registration Certificate accompanying the
38 Bonds, and the seal of the Comptroller shall be impressed, or placed in facsimile, on each certificate.
39 After registration by the Comptroller, delivery of the Bonds shall be made to the Underwriters, under

1 and subject to the general supervision and direction of the Mayor, against receipt by the City of all
2 amounts due to the City under the terms of sale.

3 **PART 12. SALE OF BONDS; OFFICIAL STATEMENT.**

4 (a) The Bonds shall be sold to the Underwriters at the price set forth in the Pricing
5 Certificate, and delivery of the Bonds to the Underwriters shall be made upon receipt of payment in
6 accordance with the terms of the Purchase Agreement. An Authorized Representative is authorized and
7 directed to execute the Pricing Certificate and the Purchase Agreement on behalf of the City, and the
8 Mayor, Mayor Pro Tem, City Manager, Chief Financial Officer, City Clerk, and all other officials,
9 agents and representatives of the City are authorized to execute and deliver any agreements, certificates,
10 instruments and other documents, and do any and all things necessary or desirable to satisfy the
11 conditions set out in the documents, to provide for the issuance and delivery of the Bonds.

12 (b) Council ratifies, authorizes and approves, in connection with the sale of the Bonds, the
13 preparation and distribution of the Preliminary Official Statement and a final Official Statement,
14 substantially in the form of the Preliminary Official Statement, containing additional information and
15 amendments as may be necessary to conform to the terms of the Bonds, this Ordinance, the Pricing
16 Certificate and the Purchase Agreement, and the Preliminary Official Statement is deemed final as of its
17 date within the meaning and for the purposes of paragraph (b)(1) of the Rule. An Authorized
18 Representative is authorized to approve amendments and supplements to the Official Statement as either
19 of them shall deem necessary or appropriate. The Mayor and City Clerk are authorized to execute the
20 final Official Statement by manual, facsimile or electronic signature and/or to deliver a certificate
21 pertaining to the final Official Statement as prescribed in the Official Statement or in the Purchase
22 Agreement, dated as of the date of payment for and delivery of the Bonds.

23 (c) The Mayor, Mayor Pro Tem, City Manager, City Clerk, Chief Financial Officer and all
24 other officials, agents and representatives of the City are authorized to take actions as any officer,
25 official, agent or representative shall approve in seeking ratings on the Bonds from one or more
26 nationally recognized statistical ratings organizations, or any confirmation of ratings issued by a rating
27 agency, and these actions are ratified and confirmed.

28 (d) Proceeds from the sale of the Bonds shall be disbursed in the amounts and for the
29 purposes set forth in the Pricing Certificate. An Authorized Representative may provide for the
30 establishment of any fund, account or subaccount as deemed necessary or appropriate for the
31 safekeeping and administration of proceeds from the sale of the Bonds pending their disbursement for
32 authorized purposes.

33 **PART 13. COVENANTS TO MAINTAIN TAX EXEMPT STATUS.**

34 (a) Definitions. When used in this PART, the following terms have the following meanings:

35 “Code” means the Internal Revenue Code of 1986, as amended by all legislation, if any, enacted
36 on or before the Issue Date.

37 “Computation Date” has the meaning stated in section 1.148-1(b) of the Regulations.

38 “Gross Proceeds” has the meaning stated in section 1.148-1(b) of the Regulations.

1 “Investment” has the meaning stated in section 1.148-1(b) of the Regulations.

2 “Issue Date” for the Bonds or other obligations of the City is the respective date on which the
3 Bonds or other obligations of the City are delivered against payment therefor.

4 “Net Sale Proceeds” has the meaning stated in section 1.148-1(b) of the Regulations.

5 “Nonpurpose Investment” has the meaning stated in section 1.148-1(b) of the Regulations.

6 “Proceeds” has the meaning stated in section 1.148-1(b) of the Regulations.

7 “Rebate Amount” has the meaning stated in section 1.148-3 of the Regulations.

8 “Regulations” means the temporary or final Income Tax Regulations applicable to the Bonds
9 issued pursuant to sections 141 through 150 of the Code. Any reference to a section of the Regulations
10 shall also refer to any successor provision to such section hereafter promulgated by the Internal Revenue
11 Service pursuant to sections 141 through 150 of the Code and applicable to the Bonds.

12 “Yield of”

13 (i) any Investment shall be computed in accordance with section 1.148-5 of the
14 Regulations, and

15 (ii) the Bonds shall be computed in accordance with section 1.148-4 of the
16 Regulations.

17 (b) Not to Cause Interest to Become Taxable. The City shall not use, permit the use of or
18 omit to use Gross Proceeds or any other amounts (or any property the acquisition, construction or
19 improvement of which is to be financed directly or indirectly with Gross Proceeds) in a manner which, if
20 made or omitted, respectively, would cause the interest on any Bonds to become includable in the gross
21 income, as defined in section 61 of the Code, of the owner for federal income tax purposes. Unless and
22 until the City has received a written opinion of counsel nationally recognized in the field of municipal
23 bond law to the effect that failure to comply with such covenant will not adversely affect the exemption
24 from federal income tax of the interest on any Bond, the City shall comply with the specific covenants in
25 this Section.

26 (c) No Private Use or Private Payments. Except as permitted by section 141 of the Code and
27 the regulations and rulings relating to section 141 of the Code, the City shall, at all times prior to the last
28 stated maturity of the Bonds,

29 (i) exclusively own, operate, and possess all property the acquisition, construction, or
30 improvement of which is to be financed directly or indirectly with Gross Proceeds of the Bonds
31 and not use or permit the use of such Gross Proceeds or any property acquired, constructed, or
32 improved with such Gross Proceeds in any activity carried on by any person or entity other than
33 a state or local government, unless such use is solely as a member of the general public, or

34 (ii) not directly or indirectly impose or accept any charge or other payment for use of
35 Gross Proceeds of the Bonds or any property the acquisition, construction or improvement of

1 which is to be financed directly or indirectly with such Gross Proceeds other than taxes of
2 general application and interest earned on investments acquired with such Gross Proceeds
3 pending application for their intended purposes.

4 (d) No Private Loan. Except to the extent permitted by section 141 of the Code and the
5 regulations and rulings relating to section 141 of the Code, the City shall not use Gross Proceeds of the
6 Bonds to make or finance loans to any person or entity other than a state or local government. For
7 purposes of the foregoing covenant, Gross Proceeds are considered to be “loaned” to a person or entity if
8 (1) property acquired, constructed or improved with Gross Proceeds is sold or leased to a person or
9 entity in a transaction which creates a debt for federal income tax purposes, (2) capacity in or service
10 from the property is committed to the person or entity under a take-or-pay, output, or similar contract or
11 arrangement, or (3) indirect benefits, or burdens and benefits of ownership, of Gross Proceeds or
12 property are otherwise transferred in a transaction which is the economic equivalent of a loan.

13 (e) Not to Invest at Higher Yield. Except to the extent permitted by section 148 of the Code
14 and the regulations and rulings relating to section 148 of the Code, the City shall not, at any time prior to
15 the earlier of the final stated maturity or final payment of the Bonds, directly or indirectly invest Gross
16 Proceeds of the Bonds in any Investment (or use Gross Proceeds to replace money so invested), if as a
17 result of the investment the Yield of all Investments allocated to Gross Proceeds whether then held or
18 previously disposed of, exceeds the Yield on the Bonds.

19 (f) Not Federally Guaranteed. Except to the extent permitted by section 149(b) of the Code
20 and the regulations and rulings relating to section 149(b) of the Code, the City shall not take or omit to
21 take any action which would cause the Bonds to be federally guaranteed within the meaning of section
22 149(b) of the Code and the regulations and rulings relating to section 149(b) of the Code.

23 (g) Information Report. The City shall timely file with the Secretary of the Treasury the
24 information required by section 149(e) of the Code with respect to the Bonds on the forms and at the
25 place as the Secretary of the Treasury may prescribe.

26 (h) Payment of Rebate Amount. Except to the extent otherwise provided in section 148(f) of
27 the Code and the regulations and rulings relating to section 148(f) of the Code, the City shall:

28 (i) account for all Gross Proceeds (including all receipts, expenditures and
29 investments of Gross Proceeds) on its books of account separately and apart from all other funds
30 (and the related receipts, expenditures and investments) and shall retain all records of such
31 accounting for at least six years after the final Computation Date. The City may, however, to the
32 extent permitted by law, commingle Gross Proceeds of the Bonds with other money of the City,
33 provided that the City separately accounts for each receipt and expenditure of such Gross
34 Proceeds and the obligations acquired with these proceeds.

35 (ii) calculate the Rebate Amount with respect to the Bonds, not less frequently than
36 each Computation Date, in accordance with rules set forth in section 148(f) of the Code, section
37 1.148-3 of the Regulations, and the rulings thereunder. The City shall maintain a copy of such
38 calculations for at least six years after the final Computation Date.

39 (iii) as additional consideration for the purchase of the Bonds by the initial purchaser
40 and the loan of the money represented by this purchase, and in order to induce such purchase by

1 measures designed to ensure the excludability of the interest from the gross income of the
2 owners for federal income tax purposes, pay to the United States the amount described in
3 paragraph (2) above at the times, in the installments, to the place, in the manner and
4 accompanied by such forms or other information as is or may be required by section 148(f) of
5 the Code and the regulations and rulings relating to section 148(f) of the Code, and

6 (iv) exercise reasonable diligence to assure that no errors are made in the calculations
7 required by paragraph (2) and, if such error is made, to discover and promptly to correct such
8 error within a reasonable amount of time, including payment to the United States of any interest
9 and any penalty required by the Regulations.

10 (i) Not to Divert Arbitrage Profits. Except to the extent permitted by section 148 of the
11 Code and the regulations and rulings relating to section 148 of the Code, the City shall not, at any time
12 prior to the earlier of the final stated maturity or final payment of the Bonds, enter into any transaction
13 that reduces the amount required to be paid to the United States pursuant to Subsection (h) of this PART
14 because such transaction results in a smaller profit or a larger loss than would have resulted if the
15 transaction had been at arm's length and had the Yield of the Bonds not been relevant to either party.

16 (j) Not Hedge Bonds. The City will not invest more than 50 percent of the Proceeds of the
17 Bonds in Nonpurpose Investments having a guaranteed yield for four years or more. On the Issue Date
18 of the Bonds, the City will reasonably expect that at least 85 percent of the Net Sale Proceeds of the
19 Bonds will or would be used to carry out the governmental purpose of such series within three years
20 after the Issue Date of such series.

21 **PART 14. CONTINUING DISCLOSURE OBLIGATION.**

22 (a) *Annual Reports.*

23 (i) The City shall provide annually to the MSRB, (A) within six months after the end
24 of each fiscal year of the City, financial information and operating data with respect to the City
25 of the general type included in the final Official Statement authorized by PART 12 of this
26 Ordinance, being information of the type described in the Pricing Certificate, including financial
27 statements of the City if audited financial statements of the City are then available, and (B) if not
28 provided as part of the financial information and operating data, audited financial statements of
29 the City, when and if available. Any financial statements to be provided shall be (x) prepared in
30 accordance with the accounting principles described in the Pricing Certificate, or other
31 accounting principles as the City may be required to employ from time to time pursuant to state
32 law or regulation, and in substantially the form included in the Official Statement, and
33 (y) audited, if the City commissions an audit of the financial statements and the audit is
34 completed within the period during which they must be provided. If the audit of the financial
35 statements is not complete within 12 months after any fiscal year end, then the City shall file
36 unaudited financial statements within the 12-month period and audited financial statements for
37 the applicable fiscal year, when and if the audit report on the financial statements becomes
38 available.

1 (ii) If the City changes its fiscal year, it will notify the MSRB of the change (and of
2 the date of the new fiscal year end) before the next date the City would be required to provide
3 financial information and operating data pursuant to this PART.

4 The financial information and operating data to be provided pursuant to this PART may
5 be set forth in full in one or more documents or may be included by specific reference to any
6 document (including an official statement or other offering document) available to the public on
7 the MSRB's website or filed with the SEC. Filings shall be made electronically, accompanied
8 by identifying information as prescribed by the MSRB.

9 (b) *Disclosure Event Notices.* The City shall notify the MSRB in an electronic format
10 prescribed by the MSRB, in a timely manner not in excess of 10 Business Days after the occurrence of
11 the event, of any of the following events with respect to the Bonds:

- 12 (i) Principal and interest payment delinquencies;
- 13 (ii) Non-payment related defaults, if material;
- 14 (iii) Unscheduled draws on debt service reserves reflecting financial difficulties;
- 15 (iv) Unscheduled draws on credit enhancements reflecting financial difficulties;
- 16 (v) Substitution of credit or liquidity providers, or their failure to perform;
- 17 (vi) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed
18 or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-
19 TEB) or other material notices or determinations with respect to the tax status of
20 the Bonds, or other material events affecting the tax status of the Bonds;
- 21 (vii) Modifications to rights of holders of the Bonds, if material;
- 22 (viii) Bond calls, if material, and tender offers;
- 23 (ix) Defeasances;
- 24 (x) Release, substitution, or sale of property securing repayment of the Bonds, if
25 material;
- 26 (xi) Rating changes;
- 27 (xii) Bankruptcy, insolvency, receivership or similar event of the City;
- 28 (xiii) The consummation of a merger, consolidation, or acquisition involving the City
29 or the sale of all or substantially all of the assets of the City, other than in the
30 ordinary course of business, the entry into a definitive agreement to undertake
31 such an action or the termination of a definitive agreement relating to any such
32 actions, other than pursuant to its terms, if material; and
- 33 (xiv) Appointment of a successor Paying Agent/Registrar or change in the name of the
34 Paying Agent/Registrar, if material.

35 As used in clause (xii) above, the phrase "bankruptcy, insolvency, receivership or similar event"
36 means the appointment of a receiver, fiscal agent or similar officer for the City in a proceeding under the
37 U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or
38 governmental authority has assumed jurisdiction over substantially all of the assets or business of the
39 City, or if jurisdiction has been assumed by leaving Council and officials or officers of the City in
40 possession but subject to the supervision and orders of a court or governmental authority, or the entry of
41 an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental
42 authority having supervision or jurisdiction over substantially all of the assets or business of the City.

1 The City shall notify the MSRB in an electronic format prescribed by the MSRB, in a timely
2 manner, of any failure by the City to provide financial information or operating data in accordance with
3 subsection (a) of this PART by the time required by subsection (a).

4 (c) *Limitations, Disclaimers, and Amendments.* The City shall be obligated to observe and
5 perform the covenants named in this PART for only so long as the City remains an “obligated person”
6 with respect to the Bonds within the meaning of the Rule, except that the City will give written notice of
7 any deposit made in accordance with this Ordinance, or applicable law, that causes any Bond no longer
8 to be outstanding.

9 The provisions of this PART are for the sole benefit of the holders and beneficial owners of the
10 Bonds, and nothing in this PART, express or implied, shall give any benefit or any legal or equitable
11 right, remedy, or claim to any other person. The City undertakes to provide only the financial
12 information, operating data, financial statements, and notices which it has expressly agreed to provide
13 pursuant to this PART and does not undertake to provide any other information that may be relevant or
14 material to a complete presentation of the City’s financial results, condition, or prospects or to update
15 any information provided in accordance with this PART or otherwise, except as expressly provided in
16 this Ordinance. The City does not make any representation or warranty concerning the information or
17 its usefulness to a decision to invest in or sell Bonds at any future date.

18 UNDER NO CIRCUMSTANCES SHALL THE CITY BE LIABLE TO THE HOLDER OR
19 BENEFICIAL OWNER OF ANY OBLIGATION OR ANY OTHER PERSON, IN CONTRACT OR
20 TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE
21 CITY, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT
22 SPECIFIED IN THIS PART, BUT EVERY RIGHT AND REMEDY OF ANY PERSON, IN
23 CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY BREACH SHALL BE LIMITED TO AN
24 ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE.

25 No default by the City in observing or performing its obligations under this PART shall comprise
26 a breach of or default under this Ordinance for purposes of any other provision of this Ordinance.
27 Nothing in this PART is intended or shall act to disclaim, waive, or otherwise limit the duties of the City
28 under federal and state securities laws.

29 The provisions of this PART may be amended by the City from time to time to adapt to changed
30 circumstances that arise from a change in legal requirements, a change in law, or a change in the
31 identity, nature, status, or type of operations of the City, but only if (1) the provisions of this PART, as
32 amended, would have permitted an underwriter to purchase or sell Bonds in the primary offering of the
33 Bonds in compliance with the Rule, taking into account any amendments or interpretations of the Rule
34 since the offering as well as the changed circumstances and (2) either (a) the holders of a majority in
35 aggregate principal amount (or any greater amount required by any other provision of this Ordinance
36 that authorizes an amendment) of the outstanding Bonds consent to the amendment or (b) a person that
37 is unaffiliated with the City (such as nationally-recognized bond counsel) determines that the
38 amendment will not materially impair the interest of the holders and beneficial owners of the Bonds. If
39 the City amends the provisions of this PART, it shall include with the next financial information and
40 operating data provided in accordance with subsection (a) of this PART an explanation, in narrative
41 form, of the reason for the amendment and of the impact of any change in the type of financial
42 information or operating data so provided. The City may also amend or repeal the provisions of this

1 continuing disclosure agreement if the SEC amends or repeals the applicable provision of the Rule or a
2 court of final jurisdiction enters judgment that the provisions of the Rule are invalid, but only if and to
3 the extent that the provisions of this sentence would not prevent an underwriter from lawfully
4 purchasing or selling Bonds in the primary offering of the Bonds.

5 **PART 15. DTC REGISTRATION.**

6 The Bonds initially shall be issued and delivered in the manner that no physical distribution of
7 the Bonds will be made to the public, and DTC initially will act as depository for the Bonds. DTC has
8 represented that it is a limited purpose trust company incorporated under the laws of the State of New
9 York, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New
10 York Uniform Commercial Code, and a “clearing agency” registered under Section 17A of the
11 Securities Exchange Act of 1934, as amended, and the City accepts, but in no way verifies, the
12 representations of DTC. The Bonds initially authorized by this Ordinance intended to be held by DTC
13 shall be delivered to and registered in the name of Cede & Co., the nominee of DTC. It is expected that
14 DTC will hold the Bonds on behalf of the Underwriters and their participants. So long as each Bond is
15 registered in the name of Cede & Co., the Paying Agent/Registrar shall treat and deal with DTC the
16 same in all respects as if it were the actual and beneficial owner. It is expected that DTC will maintain a
17 book-entry system, which will identify ownership of the Bonds in Authorized Denominations, with
18 transfers of ownership being effected on the records of DTC and its participants pursuant to rules and
19 regulations established by them, and that the Bonds initially deposited with DTC shall be immobilized
20 and not be further exchanged for substitute Bonds except as set forth in this Ordinance. The City and
21 the Paying Agent/Registrar are not responsible or liable for any functions of DTC, will not be
22 responsible for paying any fees or charges with respect to its services, will not be responsible or liable
23 for maintaining, supervising, or reviewing the records of DTC or its participants, or protecting any
24 interests or rights of the beneficial owners of the Bonds. It shall be the duty of the DTC Participants, as
25 defined in the Official Statement, to make all arrangements with DTC to establish this book-entry
26 system, the beneficial ownership of the Bonds, and the method of paying the fees and charges of DTC.
27 The City does not represent, nor does it in any way covenant that the initial book-entry system
28 established with DTC will be maintained in the future. Notwithstanding the initial establishment of the
29 foregoing book-entry system with DTC, if for any reason any of the originally delivered Bonds is duly
30 filed with the Paying Agent/Registrar with proper request for transfer and substitution, as provided for in
31 this Ordinance, substitute Bonds will be duly delivered as provided in this Ordinance, and there will be
32 no assurance or representation that any book-entry system will be maintained for the Bonds. In
33 connection with the initial establishment of the foregoing book-entry system with DTC, the City has
34 executed a “Blanket Letter of Representations” prepared by DTC in order to implement the book-entry
35 system described above.

36 **PART 16. DEFEASANCE.**

37 (a) *Defeased Bonds.* Except as otherwise provided in the Pricing Certificate, any Bond will
38 be treated as a Defeased Bond, except to the extent provided in subsection (d) of this PART, when
39 payment of the principal of the Bond, plus interest to the due date (whether the due date be by reason of
40 maturity, redemption or otherwise) either (i) shall have been made or caused to be made in accordance
41 with the terms of this Ordinance, or (ii) shall have been provided for on or before the due date by
42 irrevocably depositing with or making available to the Paying Agent/Registrar or any commercial bank
43 or trust company authorized to serve as escrow agent for the Bonds in accordance with a Future Escrow

1 Agreement for the payment of the Bond (1) lawful money of the United States of America sufficient to
2 make the payment or (2) Defeasance Securities, certified by an independent public accounting firm of
3 national reputation to mature as to principal and interest in the amounts and at the time as will insure the
4 availability, without reinvestment, of sufficient money to provide for the payment, and when proper
5 arrangements have been made by the City with the Paying Agent/Registrar for the payment of its
6 services until all Defeased Bonds shall have become due and payable. There shall be delivered to the
7 Paying Agent/Registrar a certificate or report from a firm of certified public accountants evidencing the
8 sufficiency of the deposit made pursuant to clause (ii) above. The Paying Agent/Registrar shall also
9 receive an opinion of bond counsel acceptable to the City that reflects this payment does not adversely
10 affect the exclusion under the Code of interest on the Defeased Bonds from the gross income of the
11 holders for federal income taxation purposes. At the time as a Bond shall be considered to be a
12 Defeased Bond, the Bond and the interest on that Bond shall no longer be secured by, payable from, or
13 entitled to the benefits of the ad valorem taxes levied and pledged as provided in this Ordinance, and the
14 principal and interest shall be payable solely from the money or Defeasance Securities.

15 (b) *Investment in Defeasance Securities.* Any funds deposited with the Paying
16 Agent/Registrar may at the written direction of the City be invested in Defeasance Securities, maturing
17 in the amounts and times as set forth in this Ordinance, and all income from these Defeasance Securities
18 received by the Paying Agent/Registrar that is not required for the payment of the Bonds and interest,
19 with respect to which money has been deposited, shall be turned over to the City, or deposited as
20 directed in writing by the City. Any Future Escrow Agreement pursuant to which the money and/or
21 Defeasance Securities are held for the payment of Defeased Bonds may contain provisions permitting
22 the investment or reinvestment of the moneys in Defeasance Securities or the substitution of other
23 Defeasance Securities upon the satisfaction of the requirements described in subsections (a) (i) or (ii) of
24 this PART. All income from the Defeasance Securities received by the Paying Agent/Registrar which is
25 not required for the payment of the Defeased Bonds, with respect to which money has been so
26 deposited, shall be remitted to the City or deposited as directed in writing by the City. The Paying
27 Agent/Registrar shall not be liable for any loss pertaining to an investment executed in accordance with
28 written instructions from the City.

29 (c) *Paying Agent/Registrar Services.* Until all Defeased Bonds shall have become due and
30 payable, the Paying Agent/Registrar shall perform the services of Paying Agent/Registrar for the
31 Defeased Bonds as if they had not been defeased, and the City shall make proper arrangements to
32 provide and pay for the services as required by this Ordinance.

33 (d) *Selection of Bonds for Defeasance.* In the event that the City elects to defease less than
34 all of the principal amount of Bonds of a maturity, the Paying Agent/Registrar shall select, or cause to be
35 selected, the amount of Bonds by the random method as it considers fair and appropriate.

36 **PART 17. DEFAULT AND REMEDIES.**

37 (a) *Events of Default.* Each of the following occurrences or events is an Event of Default:

38 (i) the failure to pay the principal of or interest on any Bond when it becomes due
39 and payable; or

1 (ii) default in the performance or observance of any other covenant, agreement or
2 obligation of the City, the failure to perform which materially, adversely affects the rights of the
3 Registered Owners of the Bonds, including their prospect or ability to be repaid in accordance
4 with this Ordinance, and the continuation for a period of 60 days after notice of the default is
5 given by any Registered Owner to the City.

6 (b) *Remedies for Default.*

7 (i) When any Event of Default occurs, any Registered Owner or the Registered
8 Owner's authorized representative, including a trustee or trustees, may proceed against the City,
9 or any official, officer or employee of the City in their official capacity, for the purpose of
10 protecting and enforcing the rights of the Registered Owners under this Ordinance, by mandamus
11 or other suit, action or special proceeding in equity or at law, in any court of competent
12 jurisdiction, for any relief permitted by law, including the specific performance of any covenant
13 or agreement contained in this Ordinance, or to enjoin any act or thing that may be unlawful or in
14 violation of any right of the Registered Owners or any combination of remedies only as
15 authorized by law.

16 (ii) All default proceedings shall be instituted and maintained for the equal benefit of
17 all Registered Owners of outstanding Bonds.

18 (c) *Remedies Not Exclusive.*

19 (i) No remedy in this Ordinance is exclusive of any other available remedy, but each
20 remedy shall be cumulative and shall be in addition to every other remedy given in this
21 Ordinance or under the Bonds; however, there is no right to accelerate the debt evidenced by the
22 Bonds.

23 (ii) The exercise of any remedy in this Ordinance shall not be considered a waiver of
24 any other available remedy.

25 (iii) By accepting the delivery of a Bond authorized under this Ordinance, the
26 Registered Owner agrees that the certifications required to effect any covenants or
27 representations contained in this Ordinance do not and shall never constitute or give rise to a
28 personal or pecuniary liability or charge against the officers or employees of the City or Council.

29 (iv) None of the members of Council, nor any other official or officer, agent, or
30 employee of the City, shall be charged personally by the Registered Owners with any liability, or
31 be held personally liable to the Registered Owners under any term or provision of this
32 Ordinance, or because of any Event of Default or alleged Event of Default under this Ordinance.

33 **PART 18. OFFICIALS MAY ACT ON BEHALF OF THE CITY.**

34 (a) The Mayor, the Mayor Pro Tem, the City Clerk, the City Manager, any Assistant City
35 Manager, the Chief Financial Officer, or any Deputy Chief Financial Officer, and all other officers,
36 employees, and agents of the City, and each of them, shall be authorized, empowered, and directed to do
37 and perform all acts and things and to execute, acknowledge, and deliver in the name and under the seal
38 and on behalf of the City all instruments as may be necessary or desirable in order to carry out the terms

1 and provisions of this Ordinance, the Bonds, the Pricing Certificate, the Purchase Agreement, the
2 offering documents prepared in connection with the sale of the Bonds, or the Paying Agent/Registrar
3 Agreement. In case any officer whose signature appears on any Bond shall stop being the officer before
4 the delivery of the Bond, the signature shall nevertheless be valid and sufficient for all purposes as if he
5 or she had remained in office until the delivery.

6 (b) The Mayor and Mayor Pro Tem are each authorized to make or approve such revisions,
7 additions, deletions, and variations to this Ordinance that, in their judgment and in the opinion of Bond
8 Counsel to the City, may be necessary or convenient to carry out or assist in carrying out the purposes of
9 this Ordinance, the Pricing Certificate, the Purchase Agreement, the Paying Agent/Registrar Agreement,
10 the Preliminary Official Statement and the final Official Statement or as may be required for approval of
11 the Bonds by the Attorney General of Texas.

12 (c) Any duty, responsibility, privilege, power or authority conferred by this Ordinance upon
13 an officer shall extend to an individual who occupies such office in an interim, acting or provisional
14 capacity.

15 **PART 19. RULES OF CONSTRUCTION.**

16 For all purposes of this Ordinance, unless the context requires otherwise, all references to
17 designated PARTS and other subdivisions are to the PARTS and other subdivisions of this Ordinance.
18 Except where the context otherwise requires, terms defined in this Ordinance to impart the singular
19 number shall be considered to include the plural number and vice versa. References to any named
20 person shall mean that party and his or her successors and assigns. Any duty, responsibility, privilege,
21 power or authority conferred by this Ordinance upon an official or officer shall extend to an individual
22 who occupies such office in an interim, acting or provisional capacity. References to any constitutional,
23 statutory or regulatory provision means the provision as it exists on the date this Ordinance is adopted
24 by the City. Any reference to the payment of principal in this Ordinance shall include the payment of
25 any mandatory sinking fund redemption payments as described in this Ordinance. Any reference to
26 "Form of Bond" refers to the form of the Bonds in Exhibit A to this Ordinance. The titles and headings
27 of the PARTS and subsections of this Ordinance have been inserted for convenience of reference only
28 and are not a part of this Ordinance and shall not in any way modify or restrict any of its terms or
29 provisions.

30 **PART 20. CONFLICTING ORDINANCES REPEALED.**

31 All ordinances and resolutions or parts in conflict with this Ordinance are repealed.

32 **PART 21. IMMEDIATE EFFECT.**

33 In accordance with the provisions of Section 1201.028, Texas Government Code, this Ordinance
34 is effective immediately upon its adoption by Council.

35 [The remainder of this page is intentionally left blank]

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16

PASSED AND APPROVED AND EFFECTIVE AUGUST 17, 2017.

Steve Adler,
Mayor,
City of Austin, Texas

ATTEST:

Jannette S. Goodall,
City Clerk,
City of Austin, Texas

(SEAL)

APPROVED:

Anne L. Morgan,
City Attorney,
City of Austin, Texas